

Campbell County, Wyoming | Case Studies

Most of the coal consumed in the U.S. fuels the country's electricity needs, and coal constitutes 39% of all electricity generated in the U.S.ⁱ Wyoming leads domestic coal production, accounting for two-fifths of the nation's output.ⁱⁱ More coal is extracted in Wyoming than in the next four largest coal-producing states combined, with nine of the nation's ten largest mines located in the state.ⁱⁱⁱ Campbell County, in the northeast corner of the state, supplies more coal for generating electricity than any other county in the nation.

Geology and history

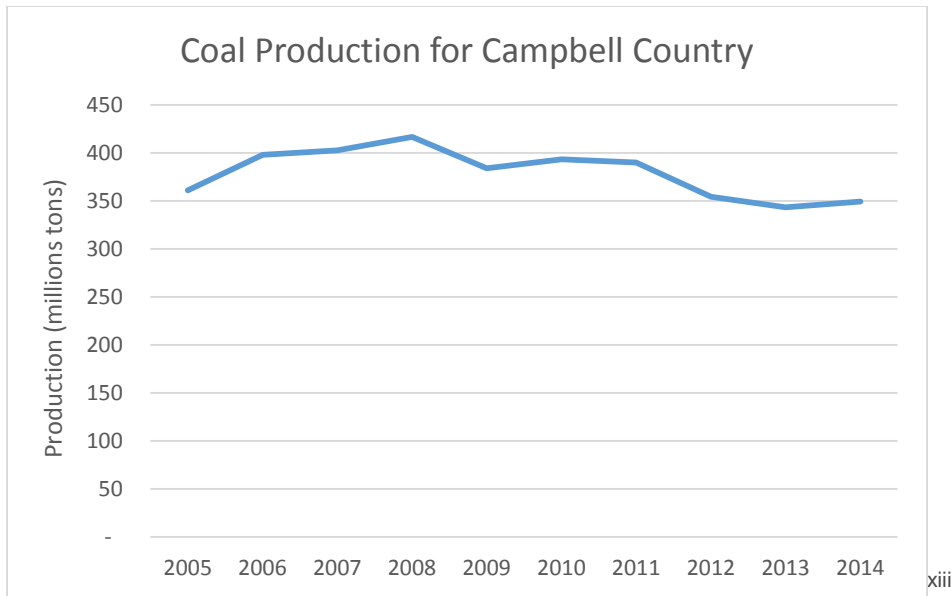
Campbell County's geographic position atop the Powder River Basin came with such plentiful coal deposits that early cattle ranchers in the area could dig their own coal.^{iv} Significant mining operations in the region began in the early twentieth century with the Peerless and Wyodak Mines near the city of Gillette. Further coal development and the discovery of oil spurred population growth in the county throughout the decades that followed.

Most Campbell County coal is sub-bituminous, meaning it contains 35% to 45% carbon. Although sub-bituminous coal has the second lowest energy content of the four main types of coal, it is often found in thick deposits near the surface, which results in lower mining costs.^v The low sulfur content of the coal in Campbell County deposits became an advantage in the market after the 1990 revision of the Clean Air Act, which required reduced sulfur emissions from coal-fired power plants.^{vi} Today, the Powder River Basin is estimated to have 25 billion tons of economically recoverable coal resources^{vii}.

Production

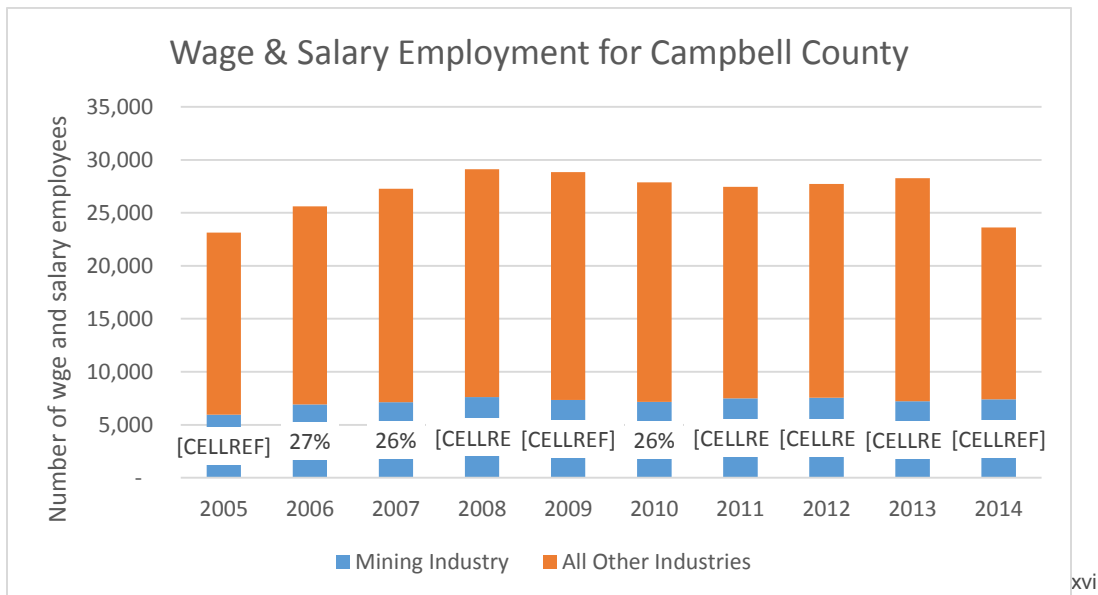
In 2014, Campbell County produced 348 million tons of coal, accounting for 89% of the state's total production.^{viii} Wyoming coal mines operate largely on federal lands managed by the Bureau of Land Management under the U.S. Department of the Interior.^{ix} In fact, Wyoming is the site of more coal mining on federal and Indian lands than any other state in the country, constituting 80% of the total coal production on federal and Indian lands in the fiscal year ending in 2014.^{xxi}

Production levels fluctuated little between 2005 and 2014. For instance, 2014's levels were 4% below 2005 production, partially due to lower natural gas prices that prompted some power companies to abandon coal use.^{xii} Underground mining no longer exists in Campbell County, but 11 of Wyoming's 17 open-pit coal mines are located in the county. The Peabody North Antelope Rochelle Mine and Arch Coal's Black Thunder Mine, both in Campbell County, are the two largest coal mines in the U.S.



Employment

The coal mining industry provides employment for 7,398 workers in Campbell County (out of a total population of 48,320), representing approximately 15% of county residents and 31% of total employment.^{xiv} The chart below shows the county employment trend in the broader mining industry from 2004 through 2014, including mining and mining-support activities.^{xv}



Revenue

With \$125 million in total government revenue for 2015, Campbell County is still the most revenue rich county in Wyoming.^{xvii xviii xix} Its wealth is largely due to the revenue brought in from coal extraction. More than 50% of the county's revenue comes from property tax (\$62.8 million) In 2015, Campbell County valued its own coal production at \$3.3 billion.^{xx}

Campbell County further generates coal-related revenue through a gross products tax, which is an ad valorem property tax based on the taxable value of the coal produced the previous year. Campbell County bills and collects this tax directly, based on the applicable tax district mill levy, and uses the revenue to fund local schools, infrastructure, and public services.^{xxi} In 2015, Campbell County collected \$62.8 million from this and other property taxes, accounting for 64% of total tax revenue.^{xxii} 84% of property taxes for the fiscal year ending in 2013 came from natural-resource production taxes.^{xxiii}

The State of Wyoming applies a 7% severance tax on the value of extracted surface coal.^{xxiv} Between 2011 and 2012, Wyoming collected \$587 million in severance tax revenue from coal production.^{xxv} More than 90% of severance tax revenue goes to the state's Severance Tax Distribution Account, which allocates 62% of its funding to the General Fund, 9% to cities and towns, 4% to counties, and the rest to various infrastructure development accounts, such as the Water Development Program.^{xxvixxxvii} The state Mineral Revenue Report does not specify what percentage of this revenue was directed to Campbell County. In 2015, Campbell County received \$445,154 in severance tax.^{xxviii}

Local communities in Wyoming also benefit from federal mineral royalties and coal lease bonuses. Between 2011 and 2012, the state received \$850 million in coal-related royalties and bonuses.^{xxix} This revenue helped fund public programs such as the state's school foundation, highway fund, city budgets, and the University of Wyoming. The exact distribution formulas for these funds among the various public programs is outlined in the state's Mineral Revenue Report, which highlights past revenues as well as future forecasts out to 2020.^{xxx}

The state of Wyoming does not impose a sales tax on the production of minerals itself, but it does tax supplies and equipment used in extraction. Services rendered under contract for mineral extraction are also taxed. Wyoming sales tax is 4%, with counties being able to collect up to 2% of additional taxes. In 2015, Campbell County collected \$75 million in sales tax from the mining industry (which includes solid minerals such as coal and ore, as well as liquid minerals such as oil), up from \$53 million in 2013.^{xxxi}

Costs

Campbell County and the Wyoming Department of Transportation (DOT) published the Campbell County Coal Belt Transportation Study in 2010.^{xxxii} The report documents recommendations for roadway network improvements in the near and long term,

discusses coal industry impacts to the system, and identifies funding options. While Campbell County is expected to be the primary funding source for new transportation improvements, the study includes a wide variety of collaborative funding efforts, including the Bureau of Land Management's Abandoned Mine Lands program funds, road impact fees, a sinking fund account, and direct state and federal appropriations.^{xxxiii} The study estimates that it would require \$43.9 million in investment in county roads between 2010 and 2015 to support coal extraction.^{xxxiv}

No publicly available government data discussing the emergency services, reclamation, or water-infrastructure costs of coal mining in Campbell County was found.

Data availability

The table below highlights the data sources used to compile this narrative, as well as any gaps in publicly available data.

Measure	Data availability	Data gaps
Production	The U.S. Energy Information Administration published county-level 2013 coal production data, while the Wyoming State Geological Survey produced the historical production-trend data from 2004–2013.	
Employment	The Bureau of Labor Statistics (BLS) published Campbell County mining industry employment data for 2004 through 2013.	Neither BLS nor the U.S. Census Bureau has ten-year employment-trend data for the coal-mining industry specifically at the Campbell County level.
Revenue	Revenue information was gathered from a range of Wyoming state government sources for 2010–2013, including the Wyoming Department of Revenue, Wyoming Legislative Service Office, Wyoming Department of Administration and Information, and Campbell County 2013 Financial Report. Note: Fiscal information is based on Fiscal Years which run from July 01 to June 30 of the	Data on how sales and use taxes relate to extractive activities in the county was not found.

Measure	Data availability	Data gaps
	following year.	
Costs		Data on connections between county transportation, emergency services, reclamation, and water-infrastructure investments and extractive industries was not found.

Notes

ⁱ U.S. Energy Information Administration, [Use of Coal](#)

ⁱⁱ U.S. Energy Information Administration, [Where Our Coal Comes From](#)

ⁱⁱⁱ Ibid.

^{iv} Wyoming State Historical Society, Campbell County

^v U.S. Energy Information Administration, [Subbituminous and bituminous coal dominate U.S. coal production](#)

^{vi} Wyoming State Historical Society, [Campbell County](#)

^{vii} U.S. Geological Survey, [Assessment of Coal Geology, Resources, and Reserve Base in the Powder River Basin, Wyoming and Montana \(PDF\)](#), 2013

^{viii} U.S. Energy Information Administration, [Annual Coal Report \(PDF\)](#), 2014. Table 2

^{ix} U.S. Department of the Interior, [Wyoming Powder River Basin Coal](#)

^x U.S. Energy Information Administration, [Sales of Fossil Fuels Produced from Federal and Indian Lands FY 2003 through FY 2014](#)

^{xi} The federal fiscal year spans from October 1 of the preceding year through September 30 of the current year

^{xii} U.S. Energy Information Administration, [Weekly Coal Production Data 2004–2013](#)

^{xiii} Ibid.

^{xiv} Bureau of Labor Statistics, [NAICS Codes 212 and 213](#), 2005–2014

^{xv} Ibid.

^{xvi} Ibid.

^{xvii} [Campbell County 2015 Financial Report](#), p.4

^{xviii} State of Wyoming Department of Revenue, [2015 Annual Report](#), p. 58

^{xix} Wealthiest county by gross revenue distribution.

^{xx} State of Wyoming Department of Revenue, [2015 Annual Report](#), p. 49

^{xxi} Wyoming Legislative Service Office, [Wyoming Severance Taxes and Federal Mineral Royalties \(PDF\)](#), 2010, p. 20

^{xxii} [Campbell County 2015 Financial Report](#), p.5, Table 1

^{xxiii} [Campbell County 2015 Financial Report](#), p.38

^{xxiv} Wyoming Legislative Service Office, [Wyoming Severance Taxes and Federal Mineral Royalties \(PDF\)](#), 2010, p. 5

^{xxv} State of Wyoming Department of Administration and Information, [Mineral Revenue Report \(PDF\)](#), 2015, chart 1

^{xxvi} State of Wyoming Department of Administration and Information, [Mineral Revenue Report \(PDF\)](#), 2015, chart 1

^{xxvii} Wyoming Legislature, [Wyoming's Water Development Program \(PDF\)](#)

^{xxviii} [Campbell County 2015 Financial Report](#), p.38

^{xxix} State of Wyoming Department of Administration and Information, [Mineral Revenue Report \(PDF\)](#), 2015, charts

^{xxx} State of Wyoming Department of Administration and Information, [Mineral Revenue Report \(PDF\)](#), 2015, p. 3 [↵](#)

^{xxxi} State of Wyoming Department of Administration and Information, [Wyoming Sales, Use, and Lodging Tax Revenue Report \(PDF\)](#), 2015, p. 19

^{xxxii} [Campbell County Coal Belt Transportation Study](#),

^{xxxiii} Ibid.

^{xxxiv} Campbell County and Wyoming DOT, [Campbell County Coal Belt Transportation Study](#), 2010, p. 5